

What is LMI and How is it Calculated?

HUD's Low- to Moderate-Income (LMI) Requirement



Texas General Land Office
Community Development and Revitalization

In the event of a Presidentially-declared disaster, Congress may appropriate funds to the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grants for Disaster Recovery (CDBG-DR). These grants fund a broad range of long-term recovery projects and help communities that otherwise might not recover due to limited resources.

HUD mandates how the funds can be used in a Federal Register notice. In addition, HUD may publish multiple federal registers per disaster. These rules include:

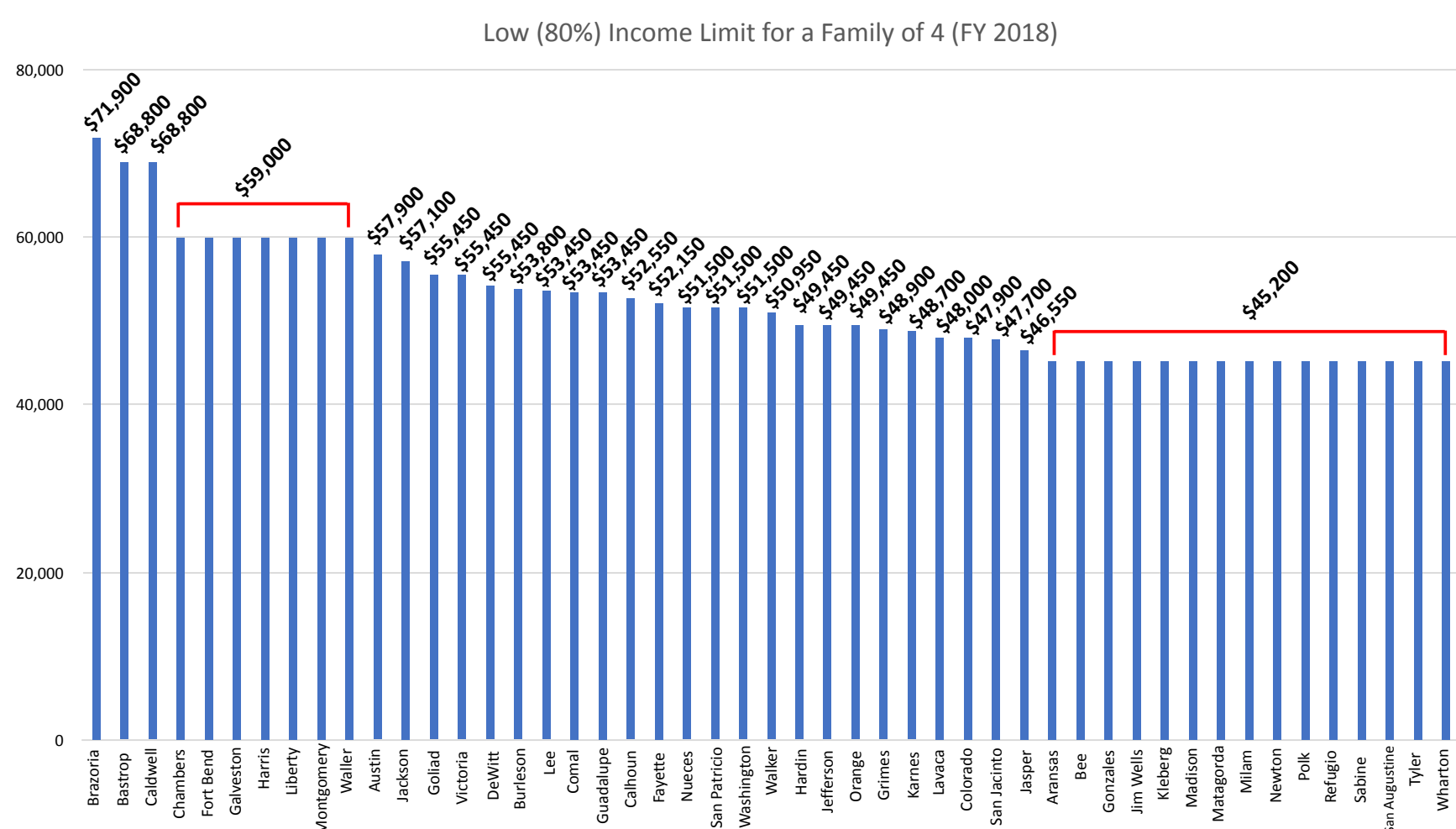
- Eligible recovery activities;
- Program requirements, including distribution of funds to be spent to benefit low- and moderate-income households and allocations to HUD-identified most impacted areas; and
- Specific waivers and alternative requirements.

HUD's Federal Register notices for Hurricane Harvey require that 70% of CDBG-DR funds be used for activities that benefit low- to moderate-income (LMI) persons in aggregate.

A household is considered LMI if they make less than 80% of the area median income. Income eligibility will be determined using Area Median Income (AMI), adjusted for family size and verified following the GLO's Adjusted Gross Income Methodology. The methodology uses the previous year's filed tax return or tax return transcript for all household members to verify the household's annual income.

How is LMI calculated?

HUD uses area median income to determine income limits. For example, the 80% income limit in Brazoria County is \$72,900 for a family of four while the 80% income limit for Wharton County is \$45,200.



For HUD's median family income for your area, visit <https://www.huduser.gov/portal/datasets/il.html>.